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# SpaceX IPO: Should I Buy It, Or Wait?

May 24, 2026, 7:30 AM ET | AFMC, AFSM, ARKK...

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## Summary

The S&P 500 closed Friday at 7,473.47, up 0.37% on the day and 0.9% for the week, notching its eighth straight winning week.

The VIX closed at 16.78, below 17 and consistent with an orderly tape. Gold slipped 0.76% to \$4,508 as the safe-haven bid faded with the Iran headlines.

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Hot-market IPOs decline 4% to 8% by day one's closing print. By week one, prices have faded 8% to 18% from the peak.

The hype is enormous, the index distortion is real, and the post-IPO fade is one of the most consistent patterns in market history.

The asymmetric outcome is still a hot PCE print on Friday. A core read of +0.3% or higher sends the 30-year back above 5.20%. Equities would likely give back some of the eighth-winning-week's gains, and the summer correction risk we've been writing about could come back into focus. The setup is binary, and we find out on Friday morning at 8:30 AM.

| DAY                               | ECONOMIC REPORTS  | EARNINGS  | OTHER  |
|-----------------------------------|---|---|--|
| <b>Monday</b><br><b>May 25</b>    | <i>U.S. markets closed</i><br>Memorial Day holiday  | —   | SpaceX IPO roadshow prep week                                |
| <b>Tuesday</b><br><b>May 26</b>   | Durable Goods Orders (Apr), 8:30 AM<br>Case-Shiller HPI (Mar), 9:00 AM<br>Consumer Confidence (May), 10:00 AM   | HEICO (HEI)   | Dallas Fed Mfg Survey<br>Watch for Warsh first-week comments |
| <b>Wednesday</b><br><b>May 27</b> | New Home Sales (Apr), 10:00 AM  | Salesforce (CRM, AMC)<br>NetApp (NTAP, AMC)                                     | 5-Year Treasury auction                                      |
| <b>Thursday</b><br><b>May 28</b>  | <b>GDP Q1 (2nd Estimate), 8:30 AM</b><br>Initial Jobless Claims, 8:30 AM<br>Pending Home Sales (Apr), 10:00 AM  | Costco (COST, AMC)<br>Dell Technologies (DELL, AMC)<br>Marvell Tech (MRVL, AMC) | 7-Year Treasury auction                                      |
| <b>Friday</b><br><b>May 29</b>    | <b>PCE Price Index (Apr), 8:30 AM</b><br>Personal Income & Spending (Apr), 8:30 AM<br>Chicago PMI (May), 9:45 AM<br>Univ. of Michigan Sentiment (Final May), 10:00 AM | —   | Month-end rebalancing flows                                  |

## SpaceX IPO: What You Need To Know

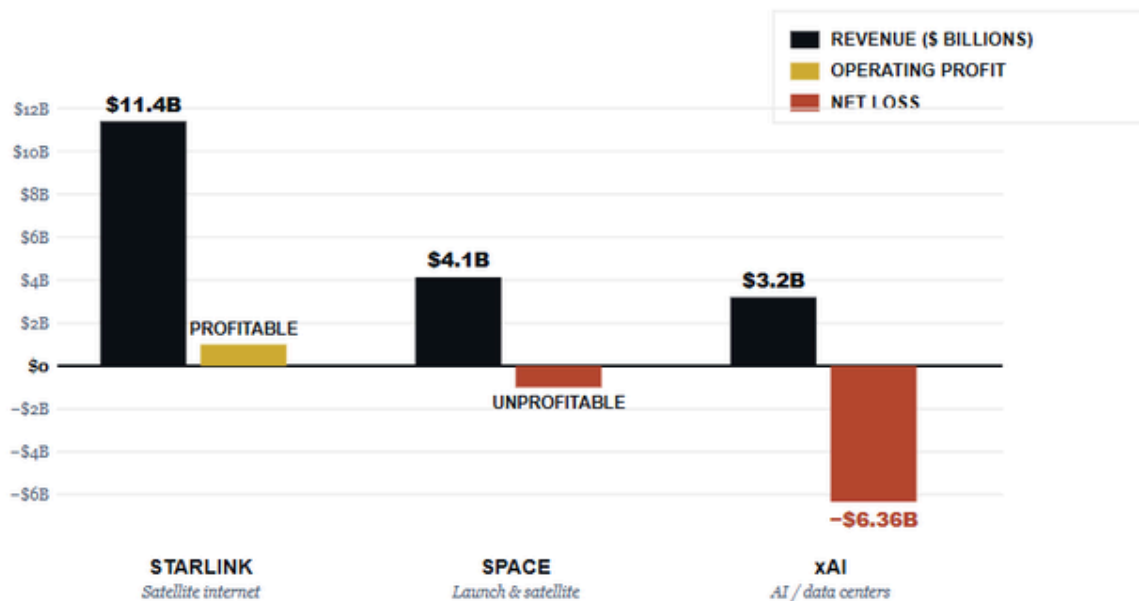
The SpaceX IPO will be the largest in history and is priced in less than three weeks. SpaceX filed its public S-1 on Wednesday, targeting a \$1.75 trillion valuation, a \$75 billion raise, and a Nasdaq debut on June 12 under ticker [SPCX](#). Every client conversation this week has circled back to two questions. Should I buy on day one? And what does this do to the rest of my portfolio? In [our recent piece on the spring rally](#), I argued that this market is running on a small number of mega-cap names. SpaceX walks straight onto that list the moment it trades.

The financial picture in the SpaceX IPO S-1 is unlike anything we've seen at this valuation. SpaceX lost \$4.9 billion in 2025 on \$18.7 billion in revenue, and losses widened this year. Q1 2026 alone produced a \$4.3 billion loss on \$4.7 billion in revenue. *The company lost almost as much in three months as it generated in revenue. That's not a typo.*

It's really three businesses stitched together. Starlink ([STRLK](#)) is the only profitable piece, contributing \$11.4 billion in 2025 revenue and a \$1.19 billion operating profit in Q1 2026. The launch and satellite business added \$4.1 billion but isn't profitable. The xAI division, folded in via the February merger, lost \$6.36 billion in 2025 and \$2.47 billion in Q1 2026 on just \$818 million in revenue. A profitable connectivity business sits next to a cash-burning launch operation and an AI startup lighting money on fire.

### SPACEX BY SEGMENT — REVENUE GENERATED, MONEY BURNED

FY2025 revenue and net loss by business segment (S-1 filing, May 20, 2026)



#### Q1 2026 TRAJECTORY

Starlink: +\$1.19B operating profit

Space: Not separately disclosed

xAI: -\$2.47B loss on \$818M revenue

Source: SpaceX S-1 (May 20, 2026), WSJ analysis. Starlink & Space full-year net losses not separately disclosed; status reflects S-1 commentary. Total FY2025 net loss: \$4.9B on \$

Musk holds 85.1% of voting power through 10-to-1 super-voting Class B shares. He cannot be removed as CEO. Buying SPCX on day one means buying a 14.9% voting interest in a company controlled by one person, whose other firms, Tesla ([TSLA](#)) and X, among them, are deeply intertwined with this one. That alone is a longer-term risk to consider.

## SPACEX IPO QUICK FACTS AT A GLANCE

|                              |  |
|------------------------------|--|
| TICKER                       | SPCX on Nasdaq   |
| ROADSHOW / PRICING / TRADING | June 4 / June 11 / <b>June 12, 2026</b>                                      |
| TARGET VALUATION             | <b>\$1.75 trillion</b> (could reach \$2T on demand)                          |
| CAPITAL RAISED               | <b>Up to \$75 billion.</b> Largest IPO in history                            |
| MUSK VOTING CONTROL          | <b>85.1%</b> via super-voting Class B shares (10:1)                          |
| 2025 REVENUE / NET LOSS      | \$18.7B revenue / <b>\$4.9B net loss</b>                                     |
| Q1 2026 REVENUE / NET LOSS   | \$4.7B revenue / <b>\$4.3B net loss</b>                                      |
| REVENUE MULTIPLE             | <b>109× to 116× trailing</b> revenue at \$1.75T valuation                    |
| INSIDER LOCKUPS              | Musk & insiders: <b>366 days.</b> Others: <b>180 days</b> with early-release |

## The Hype Is Real. So Is The Insider Exit

Anyway, what you really want to know is whether you should buy the SpaceX IPO. I can't tell you that, as you will have to determine that risk profile for yourself. However, I can provide you with some information to assist with your decision-making. Let's start with the lock-up periods for insiders.

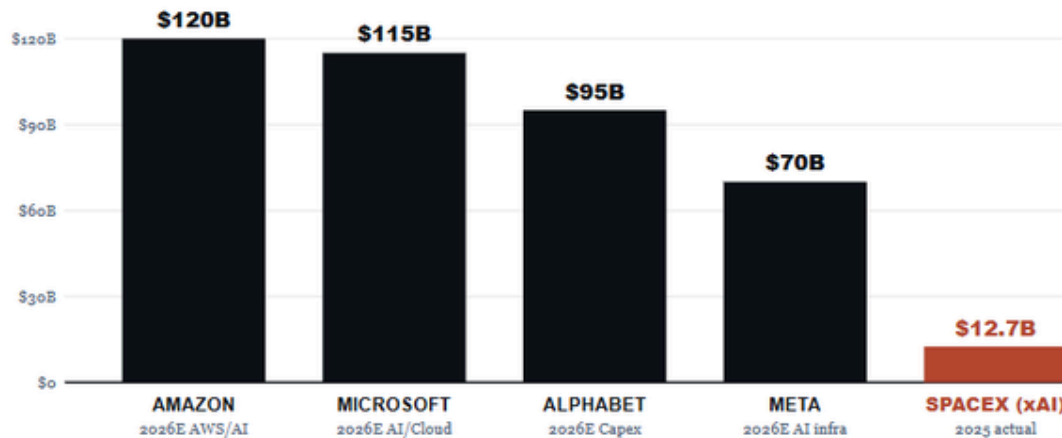
You'll hear "*fear of missing out*" applied to the SpaceX IPO more than any IPO this cycle. The brand is recognizable, the scale is unprecedented, and the hype machine is running. But the lockup schedule is where investors need to focus. The early investors and SPVs that have been accumulating SpaceX shares for a decade get their first window to sell well before the company reports a single quarter as a public entity.

Musk and the largest insiders are locked up for 366 days. Pre-IPO investors holding through funds and SPVs face a 180-day lockup with early-release provisions baked in. Up to 20% of eligible shares can be sold shortly after SpaceX's first quarterly results in early November 2026, with another 10% released if the stock holds a certain level on that date. That's a planned exit overhang sitting above the stock through late 2026.

Now layer in the capex picture. SpaceX spent \$20.7 billion in 2025. Fully 61% of that, \$12.7 billion, went to xAI's data center buildout. The launch and satellite combined spent \$8 billion. Compare that to the public-market hyperscalers. Amazon ([AMZN](#)), Microsoft ([MSFT](#)), and Alphabet ([GOOG](#)) are each spending more than \$90 billion annually on AI infrastructure in 2026. SpaceX is competing in AI with roughly a tenth of what rivals deploy. To stay competitive, that number must go higher. To get to profitability, it must come down. Those two paths are incompatible.

### AI CAPEX RACE — SPACEX VS. THE HYPERSCALERS, 2026

Reported & guided AI infrastructure capital expenditure, \$ billions



*xAI's 2025 capex was just 11% of Amazon's projected 2026 spend. To stay competitive, SpaceX has to choose: burn more cash, or cede the AI race.*

*Source: RIA Advisors. SpaceX figure from S-1 filing (May 20, 2026, FY2025). Hyperscaler figures from CY2026 company guidance and analyst consensus.*

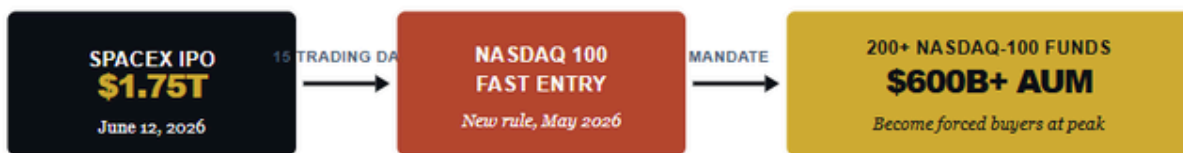
## What An Instant Index Add Does To Your Index Fund

Next, there is the index impact. This is the part of the SpaceX IPO most retail investors aren't thinking about, and the part that matters most for the broader market. On May 1, 2026, Nasdaq updated its Nasdaq 100 inclusion rules. *Large new listings can now join within 15 trading days of going public, down from a three-month seasoning period.* The change was designed for SpaceX, OpenAI, and Anthropic. The seasoning period existed for a reason. It gave the market time for price discovery before forced index buying distorted the tape. *That window is now gone.*

Here's what that means in dollar terms. The Nasdaq 100 is tracked by more than 200 investment products with over \$600 billion in assets. *If SpaceX fast-tracks into the index 15 trading days after pricing, every passive Nasdaq 100 fund becomes a forced buyer.* When Tesla joined the S&P 500 in 2020, forced index demand drove the stock from \$400 to \$700 in three weeks before fundamentals entered the conversation. Index funds had no choice. Their mandate is to track the benchmark, not to price-discover the new constituent.

### THE PASSIVE FLOW CASCADE — FORCED BUYERS AT THE TOP

*How the new Nasdaq fast-entry rule converts SpaceX retail FOMO into passive index demand*



### THE TRADE-OFF FOR PASSIVE INVESTORS

- Index investors get airdropped into the most expensive IPO in history with zero choice in the matter.
- Tesla's 2020 S&P 500 add drove the stock ~75% higher in three weeks before fundamentals re-engaged.
- Single-CEO concentration: Musk now influences Tesla + SpaceX + Nasdaq 100 weighting simultaneously.

Source: RIA Advisors. Nasdaq rule change effective May 1, 2026. Nasdaq-100 product AUM per Nasdaq, Inc.

*The S&P 500 is the bigger story.* Current rules require 12 months of public trading and four straight quarters of GAAP profitability, neither of which SpaceX satisfies. But in late April, S&P Dow Jones Indices launched a formal consultation on rule changes tailored to the SpaceX IPO, along with subsequent blockbusters coming like Anthropic and OpenAI. *The proposal cuts the listing requirement to six months and waives the profitability test entirely for megacap names.* The new rules could be in place before SpaceX's IPO in June. Why is this so important? *As noted above, the passive index problem is magnified by the S&P 500, which is benchmarked to roughly \$24 trillion and is roughly 40 times the size of the Nasdaq 100.* If S&P adopts before SpaceX trades, the forced-buying problem isn't a Nasdaq problem. It's the whole index complex.

*"Nasdaq sold out passive investors by guaranteeing inclusion to SpaceX, clearing the way for more tech giants to do the same. Investors in Nasdaq funds will end up becoming forced buyers of these assets at the highest valuations the public markets have ever seen." TheStreet, May 5, 2026*

The broader risk is concentration. The Magnificent 7 already drives more than 30% of the S&P 500's market cap. *Adding a \$1.75 trillion SpaceX means a single CEO now exerts gravitational pull over Tesla, SpaceX, and the entire Nasdaq 100. Index investors don't realize the idiosyncratic risk they're taking on.*

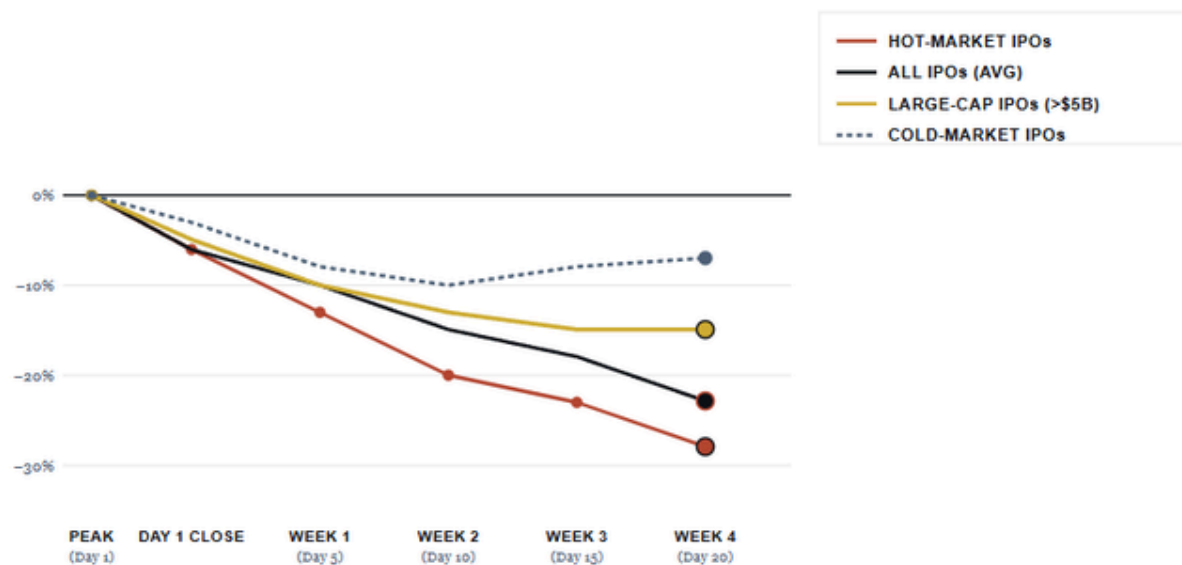
## Should You Buy On Day One Or Wait?

The question I get asked most. Should I buy the SpaceX IPO on June 12th or hold off? I can't tell you that specifically. However, the answer is in the data if you are so inclined. Academic research on IPO performance is unambiguous. The intraday high almost always prints in the first 30 to 90 minutes of trading on day one. Institutional allocations flip into retail demand, momentum buyers pile in, and the peak prints before the bid can absorb it all. From there, prices fade in a remarkably consistent pattern.

Hot-market IPOs decline 4% to 8% by day one's closing print. By week one, prices have faded 8% to 18% from the peak. Greenshoe stabilization kicks in here, where underwriters buy back up to 15% of the offering. But that cushions the floor near the offer price, not the day-one high. Weeks three and four are pure price discovery. The average cohort sits 12% to 23% below the peak. Stocks with more than 60% first-day returns actually underperform stocks with no first-day pop over the following year.

### THE IPO FADE — % CHANGE FROM DAY-ONE PEAK BY COHORT

*Average price path from intraday peak (Day 1) through Day 20 (Week 4)*



Source: RIA Advisors compilation. Average price path data based on academic IPO research (ScienceDirect, MIT Sloan, Raseed Invest) and industry studies of IPO post-listing beh

Three factors make the day-one peak likely to be high and the fade steep for SpaceX.

1. *The hype is extreme, Musk reserved up to 30% of IPO shares for retail, and a 5-for-1 split last week dropped the per-share price to about \$105. That's the textbook recipe for a parabolic first-day spike.*
2. *Second, the SPV early-release supply overhang sits at the 6-month mark. Anyone buying on day one has to live through that scheduled selling.*
3. *Third, with no positive earnings to anchor a valuation, if sentiment shifts, there's no fundamental floor.*

If you must own SPCX on day one, expect to be down 15% to 25% by the time the first earnings print arrives in November. If you wait until that print and let the lockup overhang clear, you almost certainly buy at a better price. That's not a recommendation against owning SpaceX. It's a recommendation against buying it at the most expensive point in its public life.

However, there is no guarantee that it will be the case. That is just what the history of other IPOs tells us, so measure your risk accordingly.

## **What Should Investors Do Now: Five Tips To Navigate The SpaceX IPO**

The SpaceX IPO will be a defining event for this market cycle. The hype is enormous, the index distortion is real, and the post-IPO fade is one of the most consistent patterns in market history. Here are five tactical principles to consider.

| # | ACTION  | WHY IT MATTERS   |
|---|---|--|
| 1 | <b>Wait for the first earnings print.</b>           | Expected early November 2026. By then the day-one peak fade is largely complete, the SPV early-release window has cleared, and you'll have real public-company financials.   |
| 2 | <b>Size it like a high-volatility name.</b>         | If you must own SPCX, treat it like a satellite position, not a core holding. 1–2% maximum portfolio weight. Treat it the way you'd treat any single-CEO, no-earnings, 109× revenue stock.                             |
| 3 | <b>Check your index exposure.</b>                   | Nasdaq 100 funds (QQQ) become forced buyers of SpaceX 15 trading days post-IPO. If S&P approves its proposed rule change, SPY and VOO holders follow at six months. Roughly \$24 trillion sits in S&P 500 funds alone. |
| 4 | <b>Don't buy in the first 90 minutes.</b>           | The intraday high almost always prints in the first hour-and-a-half of trading on day one. Institutional flippers and momentum buyers create the peak. By Day 1 close, the average IPO is down 4–8%.                   |
| 5 | <b>Watch Tesla and ARKX for second-order plays.</b> | Tesla owns ~19 million SpaceX Class A shares. ARK Space Exploration ETF (ARKX) will be re-rated alongside SPCX. Both could offer indirect exposure with more reasonable entry prices than the IPO itself.              |

Make no mistake. The SpaceX IPO will be enormous, and the company is one of the most impressive of our generation. The launch business is unmatched, Starlink is genuinely changing global connectivity, and the founder has a track record few can compete with. *None of that changes the math of what happens when a 109× revenue, money-losing, single-CEO-controlled company gets airdropped into the largest passive index complex in history.* Great companies and great investments are not the same thing. The price you pay matters. Day one is likely to be the worst price you'll pay for SPCX in the next twelve months.

But no one really knows for sure.

## Market Statistics & Analysis

*Weekly technical overview across key sectors, risk indicators, and market internals*

## Market & Sector X-Ray: Market Cracks Support